

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1667 be amended to read as follows:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning the
- 3 general assembly.
- 4 Delete everything after the enacting clause and insert the following:
- 5 SECTION 1. IC 2-3.5-4-2 IS AMENDED TO READ AS
- 6 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 2. A participant who is
- 7 at least sixty-five (65) years of age is entitled for the remainder of the
- 8 participant's life to a monthly retirement benefit computed under
- 9 section 3 of this chapter, beginning on the date specified by the
- 10 participant in a written application, if all of the following conditions are
- 11 met on the date on which the benefit begins:
- 12 (1) The participant's service as a member of the general assembly
- 13 is terminated.
- 14 (2) The participant:
- 15 (A) has at least ten (10) years of service as a member of the
- 16 general assembly; or
- 17 (B) meets the requirements for disability benefits under
- 18 section 5 of this chapter.
- 19 (3) The participant is not receiving and is not entitled to receive
- 20 ~~compensation a salary~~ from the state. ~~for work in any capacity.~~
- 21 (4) The participant is not receiving and has not previously
- 22 received a reduced monthly retirement benefit under section 4 of
- 23 this chapter.
- 24 SECTION 2. IC 2-3.5-4-4 IS AMENDED TO READ AS

FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 4. (a) A participant who is at least fifty-five (55) years of age is entitled, for the remainder of the participant's life, to a reduced monthly retirement benefit computed under subsection (b), beginning on the date specified by the participant in a written application, if all of the following conditions are met on the date on which the benefit begins:

(1) The participant's service as a member of the general assembly is terminated.

(2) The participant has at least ten (10) years of service as a member of the general assembly.

(3) The participant is not receiving and is not entitled to receive ~~compensation for services~~ a salary from the state. ~~for work in any capacity.~~

(b) The reduced monthly benefit payable for life to a participant eligible under this section is the benefit calculated under section 3 of this chapter, multiplied by a percentage determined as follows:

STEP ONE: From seven hundred eighty (780) months, which equals sixty-five (65) years, subtract the age of the participant at the participant's retirement date expressed in whole months (retirement age in months) and obtain a remainder (X).

STEP TWO:

(A) If the remainder (X) is less than or equal to sixty (60), multiply the remainder (X) times one-tenth percent (0.1%) and obtain a product (Y).

(B) If the remainder (X) is greater than sixty (60), multiply five-twelfths percent (5/12%) times the difference obtained by subtracting sixty (60) from the remainder (X) and obtain a product. Add to this six percent (6%) and obtain a sum (Y).

STEP THREE: From one hundred percent (100%) subtract the appropriate (Y). This equals the percentage used to determine the reduced monthly benefit.

SECTION 3. IC 2-3.5-4.4.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 4.1. (a) This section applies to a participant who:

(1) is at least fifty-five (55) years of age and whose years of service as a member of the general assembly plus years of age are equal to at least eighty-five (85); or

(2) is at least sixty (60) years of age and has at least fifteen (15) years of service as a member of the general assembly.

(b) A participant who is described in subsection (a) is entitled, for the remainder of the participant's life, to a monthly retirement benefit calculated under section 3 of this chapter, if all of the following conditions are met on the date on which the benefit begins:

(1) The participant's service as a member of the general assembly is terminated.

(2) The participant has at least ten (10) years of service as a

1 member of the general assembly.

2 (3) The participant is not receiving and is not entitled to receive
3 ~~compensation for services a salary~~ from the state. ~~for work in any~~
4 ~~capacity.~~

5 (c) A participant who receives a benefit under this section is not
6 entitled to a benefit under section 4 of this chapter.

7 SECTION 4. IC 2-3.5-5-3, AS AMENDED BY P.L.118-2000,
8 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JANUARY 1, 2002]: Sec. 3. (a) The PERF board shall establish
10 alternative investment programs within the fund, based on the
11 following requirements:

12 (1) The PERF board shall maintain at least one (1) alternative
13 investment program that is an indexed stock fund and one (1)
14 alternative investment program that is a bond fund.

15 (2) The programs should represent a variety of investment
16 objectives.

17 (3) The programs may not permit a member to withdraw money
18 from the member's account, except as provided in section 6 of this
19 chapter.

20 (4) All administrative costs of each alternative program shall be
21 paid from the earnings on that program.

22 (5) A valuation of each member's account must be completed as
23 of the last day of each quarter.

24 (b) A member shall direct the allocation of the amount credited to
25 the member among the available alternative investment funds, subject
26 to the following conditions:

27 (1) A member may make a selection or change an existing
28 selection ~~at any time; but not more than one (1) time in a twelve~~
29 ~~(+2) month period.~~ **under rules established by the PERF board.**
30 **The PERF board shall allow a member to make a selection or**
31 **change any existing selection at least once each quarter.**

32 (2) The PERF board shall implement the member's selection
33 beginning the first day of the next calendar quarter that begins at
34 least thirty (30) days after the selection is received by the PERF
35 board. This date is the effective date of the member's selection.

36 (3) A member may select any combination of the available
37 investment funds, in ten percent (10%) increments.

38 (4) A member's selection remains in effect until a new selection
39 is made.

40 (5) On the effective date of a member's selection, the board shall
41 reallocate the member's existing balance or balances in
42 accordance with the member's direction, based on the market
43 value on the effective date.

44 (6) If a member does not make an investment selection of the
45 alternative investment programs, the member's account shall be
46 invested in the PERF board's general investment fund.

(7) All contributions to the member's account shall be allocated as of the last day of the quarter in which the contributions are received in accordance with the member's most recent effective direction. The PERF board shall not reallocate the member's account at any other time.

(c) When a member transfers the amount credited to the member from one (1) alternative investment program to another alternative investment program, the amount credited to the member shall be valued at the market value of the member's investment, as of the day before the effective date of the member's selection. When a member retires, becomes disabled, dies, or withdraws from the fund, the amount credited to the member shall be the market value of the member's investment as of the last day of the quarter preceding the member's distribution or annuitization at retirement, disability, death, or withdrawal, plus contributions received after that date.

(d) The PERF board shall determine the value of each alternative program in the defined contribution fund, as of the last day of each calendar quarter, as follows:

(1) The market value shall exclude the employer contributions and employee contributions received during the quarter ending on the current allocation date.

(2) The market value as of the immediately preceding quarter end date shall include the employer contributions and employee contributions received during that preceding quarter.

(3) The market value as of the immediately preceding quarter end date shall exclude benefits paid from the fund during the quarter ending on the current quarter end date.

SECTION 5. IC 2-3.5-5-6, AS AMENDED BY P.L.205-1999, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 6. (a) A participant who terminates service as a member of the general assembly is entitled to withdraw both the participant's employee contribution account and employer contribution account from the defined contribution fund. The withdrawal shall be made ~~on the later of the first day of the month following termination of service or thirty (30) days after the board receives a request for withdrawal from the fund; not later than the required beginning date under the Internal Revenue Code.~~ The amount available for the withdrawal shall be the fair market value of the participant's accounts on the ~~June 30 last day of the quarter~~ preceding the date of withdrawal plus employee contributions deducted **and employer contributions made since the June 30 last day of the quarter** preceding the date of withdrawal.

(b) The withdrawal amount shall be paid in a lump sum, **a partial lump sum**, a monthly annuity as purchased by the PERF board with the ~~withdrawal~~ **remaining** amount, or a series of monthly installment payments over sixty (60), one hundred twenty (120), or one hundred

eighty (180) months, as elected by the participant. The forms of annuity and installments shall be established by the PERF board by rule, in consultation with the system's actuary. **The PERF board shall give participants information on these forms of payments and the effects of various dates of withdrawal.**

SECTION 6. IC 2-3.5-5-7, AS AMENDED BY P.L.205-1999, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 7. (a) This section applies to a participant who dies while a member of the general assembly, or who dies after terminating service as a member of the general assembly and prior to withdrawing the participant's account from the defined contribution fund. The participant's employee contribution account and the participant's employer contribution account shall be paid to a beneficiary or the beneficiaries designated on a form prescribed by the board. The amount paid shall be the fair market value of the participant's accounts on the ~~June 30~~ **last day of the quarter** preceding the date of payment, plus employee contributions deducted **and employer contributions made** since the ~~June 30~~ **last day of the quarter** preceding the date of payment. If there is no properly designated beneficiary, or if no beneficiary survives the participant, the participant's accounts shall be paid to:

- (1) the surviving spouse of the participant;
- (2) if there is no surviving spouse, a surviving dependent or the surviving dependents of the participant; or
- (3) if there is no surviving spouse and no surviving dependent, the estate of the participant.

(b) Amounts payable under this section shall be paid in a lump sum, **a partial lump sum**, a monthly annuity as purchased by the PERF board with the ~~withdrawal~~ **remaining** amount, or a series of monthly installment payments over sixty (60) months, as elected by the recipient. The forms of annuity and installments available shall be established by the PERF board by rule, in consultation with the system's actuary.

SECTION 7. IC 5-10-8-1, AS AMENDED BY P.L.50-2000, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. The following definitions apply in this chapter:

- (1) "Employee" means:
 - (A) an elected or appointed officer or official, or a full-time employee;
 - (B) if the individual is employed by a school corporation, a full-time or part-time employee;
 - (C) for a local unit public employer, a full-time or part-time employee or a person who provides personal services to the unit under contract during the contract period; or
 - (D) a senior judge appointed under IC 33-2-1-8;
 whose services have continued without interruption at least thirty

- 1 (30) days.
- 2 (2) "Group insurance" means any of the kinds of insurance
- 3 fulfilling the definitions and requirements of group insurance
- 4 contained in IC 27-1.
- 5 (3) "Insurance" means insurance upon or in relation to human life
- 6 in all its forms, including life insurance, health insurance,
- 7 disability insurance, accident insurance, hospitalization insurance,
- 8 surgery insurance, medical insurance, and supplemental medical
- 9 insurance.
- 10 (4) "Local unit" includes a city, town, county, township, public
- 11 library, or school corporation.
- 12 (5) "New traditional plan" means a self-insurance program
- 13 established under section 7(b) of this chapter to provide health
- 14 care coverage.
- 15 (6) "Public employer" means the state or a local unit, including
- 16 any board, commission, department, division, authority,
- 17 institution, establishment, facility, or governmental unit under the
- 18 supervision of either, having a payroll in relation to persons it
- 19 immediately employs, even if it is not a separate taxing unit. **With**
- 20 **respect to the legislative branch of government, "public**
- 21 **employer" or "employer" refers to the following:**
- 22 (A) **The president pro tempore of the senate, with respect**
- 23 **to former members or employees of the senate.**
- 24 (B) **The principal clerk of the house, with respect to former**
- 25 **members or employees of the house of representatives.**
- 26 (C) **The legislative council, with respect to former**
- 27 **employees of the legislative services agency.**
- 28 (7) "Public employer" does not include a state educational
- 29 institution (as defined under IC 20-12-0.5-1).
- 30 (8) "Retired employee" means:
- 31 (A) in the case of a public employer that participates in the
- 32 public employees' retirement fund, a former employee who
- 33 qualifies for a benefit under IC 5-10.3-8 **or IC 5-10.2-4;**
- 34 (B) in the case of a public employer that participates in the
- 35 teachers' retirement fund under IC 21-6.1, a former employee
- 36 who qualifies for a benefit under IC 21-6.1-5; and
- 37 (C) in the case of any other public employer, a former
- 38 employee who meets the requirements established by the
- 39 public employer for participation in a group insurance plan for
- 40 retired employees.
- 41 (9) "Retirement date" means the date that the employee has
- 42 chosen to receive retirement benefits from the employees'
- 43 retirement fund.
- 44 SECTION 8. IC 5-10-8-8, AS AMENDED BY P.L.233-1999,
- 45 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 46 JULY 1, 2001]: Sec. 8. (a) This section applies only to the state and its

1 employees who are not covered by a plan established under section 6
2 of this chapter.

3 (b) After June 30, 1986, the state shall provide a group health
4 insurance plan to each retired employee:

5 (1) whose retirement date is:

6 (A) after June 29, 1986, for a retired employee who was a
7 member of the field examiners' retirement fund;

8 (B) after May 31, 1986, for a retired employee who was a
9 member of the Indiana state teachers' retirement fund; or

10 (C) after June 30, 1986, for a retired employee not covered by
11 clause (A) or (B);

12 (2) who will have reached fifty-five (55) years of age on or before
13 the employee's retirement date but who will not be eligible on that
14 date for Medicare coverage as prescribed by 42 U.S.C. 1395 et
15 seq.;

16 (3) who will have completed twenty (20) years of creditable
17 employment with a public employer on or before the employee's
18 retirement date, ten (10) years of which shall have been
19 completed immediately preceding the retirement; and

20 (4) who will have completed at least fifteen (15) years of
21 participation in the retirement plan of which the employee is a
22 member on or before the employee's retirement date.

23 (c) The state shall provide a group health insurance program to each
24 retired employee:

25 (1) who is a retired judge;

26 (2) whose retirement date is after June 30, 1990;

27 (3) who is at least sixty-two (62) years of age;

28 (4) who is not eligible for Medicare coverage as prescribed by 42
29 U.S.C. 1395 et seq.; and

30 (5) who has at least eight (8) years of service credit as a
31 participant in the Indiana judges' retirement fund, with at least
32 eight (8) years of that service credit completed immediately
33 preceding the judge's retirement.

34 (d) The state shall provide a group health insurance program to each
35 retired employee:

36 (1) who is a retired participant under the prosecuting attorneys
37 retirement fund;

38 (2) whose retirement date is after January 1, 1990;

39 (3) who is at least sixty-two (62) years of age;

40 (4) who is not eligible for Medicare coverage as prescribed by 42
41 U.S.C. 1395 et seq.; and

42 (5) who has at least ten (10) years of service credit as a participant
43 in the prosecuting attorneys retirement fund, with at least ten (10)
44 years of that service credit completed immediately preceding the
45 participant's retirement.

46 (e) The state shall make available a group health insurance program

to each former member of the general assembly or surviving spouse of each former member, if the former member:

- (1) is no longer a member of the general assembly;
- (2) is not eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq. or, in the case of a surviving spouse, the surviving spouse is not eligible for Medicare coverage as prescribed by 42 U.S.C. 1395, et. seq.; and
- (3) has at least ten (10) years of service credit as a member in the general assembly.

A former member or surviving spouse of a former member who obtains insurance under this section is responsible for paying both the employer and the employee share of the cost of the coverage.

(f) The group health insurance program required under subsections (b) through (e) must be equal to that offered active employees. The retired employee may participate in the group health insurance program if the retired employee pays an amount equal to the employer's and the employee's premium for the group health insurance for an active employee and if the retired employee within ninety (90) days after the employee's retirement date files a written request for insurance coverage with the employer. However, the employer may elect to pay any part of the retired employee's premium **with respect to insurance coverage under this chapter.**

(g) **Except as provided in subsection (j),** a retired employee's eligibility to continue insurance under this section ends when the employee becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq., or when the employer terminates the health insurance program. A retired employee who is eligible for insurance coverage under this section may elect to have the employee's spouse covered under the health insurance program at the time the employee retires. If a retired employee's spouse pays the amount the retired employee would have been required to pay for coverage selected by the spouse, the spouse's subsequent eligibility to continue insurance under this section is not affected by the death of the retired employee. The surviving spouse's eligibility ends on the earliest of the following:

- (1) When the spouse becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.
- (2) When the employer terminates the health insurance program.
- (3) Two (2) years after the date of the employee's death.
- (4) The date of the spouse's remarriage.

(h) This subsection does not apply to an employee who is entitled to group insurance coverage under IC 20-6.1-6-1(c). An employee who is on leave without pay is entitled to participate for ninety (90) days in any health insurance program maintained by the employer for active employees if the employee pays an amount equal to the total of the employer's and the employee's premiums for the insurance.

(i) An employer may provide group health insurance for retired

employees or their spouses not covered by this section and may provide group health insurance that contains provisions more favorable to retired employees and their spouses than required by this section. A public employer may provide group health insurance to an employee who is on leave without pay for a longer period than required by subsection (h).

(j) An employer may elect to permit former employees and their spouses, including surviving spouses, to continue to participate in a group health insurance program under this chapter after the former employee (who is otherwise qualified under this chapter to participate in a group insurance program) or spouse has become eligible for Medicare coverage as prescribed by 42 U.S.C.A. 1395 et seq. An employer who makes an election under this section may require a person who continues coverage under this subsection to participate in a retiree health benefit plan developed under section 8.3 of this chapter.

SECTION 9. IC 5-10-8-8.1, AS AMENDED BY P.L.233-1999, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 8.1. (a) This section applies only to the state and former legislators. ~~instead of section 8 of this chapter.~~

(b) As used in this section, "legislator" means a member of the general assembly.

(c) After June 30, 1988, the state shall provide to each retired legislator:

- (1) whose retirement date is after June 30, 1988;
- (2) who is not participating in a group health insurance coverage plan:
 - (A) including Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.; but
 - (B) not including a group health insurance plan provided by the state or a health insurance plan provided under IC 27-8-10;
- (3) who served as a legislator for at least ten (10) years; and
- (4) who participated in a group health insurance plan provided by the state on the legislator's retirement date;

a group health insurance program that is equal to that offered active employees.

(d) A retired legislator who qualifies under subsection (c) may participate in the group health insurance program if the retired legislator:

- (1) pays an amount equal to the employer's and employee's premium for the group health insurance for an active employee; and
- (2) within ninety (90) days after the legislator's retirement date files a written request for insurance coverage with the employer.

(e) Except as provided in section 8(j) of this chapter, a retired legislator's eligibility to continue insurance under this section ends

when the member becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq., or when the employer terminates the health insurance program.

(f) A retired legislator who is eligible for insurance coverage under this section may elect to have the legislator's spouse covered under the health insurance program at the time the legislator retires. If a retired legislator's spouse pays the amount the retired legislator would have been required to pay for coverage selected by the spouse, the spouse's subsequent eligibility to continue insurance under this section is not affected by the death of the retired legislator and is not affected by the retired legislator's eligibility for Medicare. **Except as provided in section 8(j) of this chapter**, the spouse's eligibility ends on the earliest of the following:

- (1) When the spouse becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.
- (2) When the employer terminates the health insurance program.
- (3) The date of the spouse's remarriage.

(g) The surviving spouse of a legislator who dies or has died in office may elect to participate in the group health insurance program if all of the following apply:

- (1) The deceased legislator would have been eligible to participate in the group health insurance program under this section had the legislator retired on the day of the legislator's death.
- (2) The surviving spouse files a written request for insurance coverage with the employer.
- (3) The surviving spouse pays an amount equal to the employer's and employee's premium for the group health insurance for an active employee.

(h) **Except as provided in section 8(j) of this chapter**, the eligibility of the surviving spouse of a legislator to purchase group health insurance under subsection (g) ends on the earliest of the following:

- (1) When the employer terminates the health insurance program.
- (2) The date of the spouse's remarriage.
- (3) When the spouse becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.

SECTION 10. IC 5-10-8-8.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: **Sec. 8.2. (a) As used in this section, "former legislator" means a former member of the general assembly.**

(b) As used in this section, "dependent" means an unmarried person who:

- (1) is:**
 - (A) a dependent child, stepchild, foster child, or adopted child of a former legislator or spouse of a former**

1 legislator; or

2 (B) a child who resides in the home of a former legislator
3 or spouse of a former legislator who has been appointed
4 legal guardian for the child; and

5 (2) is:

6 (A) less than twenty-three (23) years of age;

7 (B) at least twenty-three (23) years of age, incapable of
8 self-sustaining employment by reason of mental or physical
9 disability, and is chiefly dependent on a former legislator
10 or spouse of a former legislator for support and
11 maintenance; or

12 (C) at least twenty-three (23) years of age and less than
13 twenty-five (25) years of age and is enrolled in and is a
14 full-time student at an accredited college or university.

15 (c) As used in this section, "spouse" means a person who is or
16 was married to a former legislator.

17 (d) After June 30, 2001, the state shall provide to a former
18 legislator:

19 (1) whose last day of service as a member of the general
20 assembly was after December 31, 2000;

21 (2) who served in all or part of at least four (4) terms of the
22 general assembly (as defined in IC 2-2.1-1-1);

23 (3) who pays an amount equal to the employee's and
24 employer's premium for the group health insurance for an
25 active employee; and

26 (4) who files a written request for insurance coverage with the
27 employer within ninety (90) days after the former legislator's:

28 (A) last day of service as a member of the general
29 assembly; or

30 (B) retirement date;

31 a group health insurance program that is equal to that offered to
32 active employees.

33 (e) Except as provided by section 8(j) of this chapter, the
34 eligibility of a former legislator to continue insurance under this
35 section ends when the former legislator becomes eligible for
36 Medicare coverage as prescribed by 42 U.S.C.A. 1395 et seq. or
37 when the employer terminates the health insurance program.

38 (f) A former legislator who is eligible for insurance coverage
39 under this section may elect to have a spouse or dependent of the
40 former legislator covered under the health insurance program. A
41 former legislator who makes an election under this subsection must
42 pay the employee's and employer's premium for the group health
43 insurance program for an active employee that is attributable to
44 the inclusion of a spouse or dependent.

45 (g) A spouse or dependent may continue insurance under this
46 section after the death of the former legislator if the spouse or
47 dependent pays the amount the former legislator would have been

1 required to pay for coverage selected by the spouse or dependent.

2 (h) Except as provided under section 8(j) of this chapter, the
3 eligibility of a spouse to continue insurance under this section ends
4 on the earliest of the following:

5 (1) When the employer terminates the health insurance
6 program.

7 (2) The date of the legislative spouse's remarriage.

8 (3) When the required amount for coverage is not paid with
9 respect to the spouse.

10 (4) When the spouse becomes eligible for Medicare coverage
11 as prescribed by 42 U.S.C.A. 1395 et seq.

12 (i) The eligibility of a dependent to continue insurance under
13 this section ends on the earliest of the following:

14 (1) When the employer terminates the health insurance
15 program.

16 (2) The date the dependent no longer meets the definition of
17 a dependent.

18 (3) When the required amount for coverage is not paid with
19 respect to the dependent.

20 (j) The spouse of a deceased former legislator may elect to
21 participate in the group health insurance program under this
22 section if all of the following apply:

23 (1) The deceased legislator:

24 (A) died after December 31, 2000, while serving as a
25 member of the general assembly; and

26 (B) served in all or part of at least four (4) terms of the
27 general assembly (as defined in IC 2-2.1-1-1).

28 (2) The surviving spouse files a written request for insurance
29 coverage with the employer.

30 (3) The surviving spouse pays an amount equal to the
31 employee's and employer's premium for the group health
32 insurance for an active employee, including any amount with
33 respect to covered dependents of the former legislator.

34 (k) Except as provided under section 8(j) of this chapter, the
35 eligibility of the surviving spouse under subsection (j) ends on the
36 earliest of the following:

37 (1) When the employer terminates the health insurance
38 program.

39 (2) The date of the spouse's remarriage.

40 (3) When the required amount for coverage is not paid with
41 respect to the spouse and any covered dependent.

42 (4) When the surviving spouse becomes eligible for Medicare
43 coverage as prescribed by 42 U.S.C.A. 1395 et seq.

44 SECTION 11. IC 5-10-8-8.3 IS ADDED TO THE INDIANA CODE
45 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
46 1, 2001]: Sec. 8.3. (a) As used in this section, "department" refers
47 to the state personnel department.

1 (b) The department shall establish, or contract for the
2 establishment of, at least two (2) retiree health benefit plans to be
3 available for former employees of:

4 (1) the state; and

5 (2) the legislative branch of government;

6 whose employer elects under section 8(j) of this chapter to permit
7 its former employees to continue to participate in a health
8 insurance program under this chapter after the employees have
9 become eligible for Medicare coverage. At least one (1) of the plans
10 offered to former employees must include coverage for
11 prescription drugs comparable to a Medicare plan that provides
12 prescription drug benefits.

13 Renumber all SECTIONS consecutively.

(Reference is to HB 1667 as printed February 22, 2001.)

Representative Smith M